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TO: Assistant Secretaries  
THROUGH: S/S - Mr. Bremer  
FROM: INR - Ronald I. Spiers  
SUBJECT: "Critical Countries"

Dave Newsom's July 3 memo advised you about June 30 decisions by the Political Intelligence Working Group on the "critical countries" project and tasked INR to work with your staffs and CIA on this presidential initiative. Its purpose is to assure that we identify reporting and analytical gaps on "critical countries"\* and take adequate steps to close these.

In moving ahead, the following steps need to be taken:

1. Updating 1979 "Critical Countries" Action Plans\*\*



25X1A

Joint State/CIA assessments of country vulnerabilities and gaps in reporting coverage were prepared in September 1979. These should now be reviewed and updated. Draft format is attached. It is largely the same as that used last year but includes an additional section relating to our capability to analyze information collected by the field and a status report on actions recommended in the September 1979 plans.

Footnote

\* Defined as countries where the US has important interests which may be vulnerable in the next two years to internal or external upheavals.

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Cleared updated country action plans should be received in INR by July 25 in order to fit into the FY 82 budget review.

2. Preparing Plans for the New "Critical Countries"

[REDACTED]

25X1A

[REDACTED]

We need country assessments and action checklists on these.

25X1A

The first step should be (a) an evaluation of major problem areas or vulnerability points both internal and external that threaten the country's stability over the next two years and (b) identification of gaps in our ability to collect and report on these and our analytical capability both in Embassies and in Washington. The second step should be an action checklist like those prepared last year indicating how gaps in reporting or analytical capabilities can be overcome. The attached draft format should be followed. Plans should take June 30, 1980 as the baseline and should not include a section on steps already taken.

The target date for completion of cleared joint action plans is COB August 8. Preliminary plans, including Country Team views should, however, be ready COB July 25 in order to fit into the FY 82 budget review.

3. Procedural Points

a. As in the September 1979 exercise, Country Directors should be the focal point, working in close harness with INR office directors and CIA/DDO colleagues.

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b. To save time and cut the amount of paper produced, Washington should prepare the initial assessments of vulnerability and reporting/analytical gaps. This should be brief and along the lines of the format. Exhaustive analyses are not needed. The country team reply should comment from the field's vantage point and make action recommendations how problems can be overcome and/or explain where last year's recommendations stand.

c. Where recommendations involve additional resources, replies should be as explicit as possible, for example, \$10,000 for greater travel or language qualified economics officer. However, do not include recommendations that relate generally to improvements in living and office conditions. While these have obvious relevance, recommendations on the action checklist should focus directly on improvement in the collection and analysis process.

d. Both updated and new plans should include appropriate reference to recent ~~FOCUS~~ FOCUS reviews (i.e., those less than a year old). They should also comment whether the 1980 Embassy reporting plans submitted June 15 give adequate priority to *analyzing* points of vulnerability.

4. Relationship to the Budget Process

The PPG will shortly be reviewing the FY 82 budget plans. Requests by bureaus for resource increases to overcome collection or analytical deficiencies in the 24 "critical countries" should be adequately flagged to the PPG to ensure that full attention is given in the FY 82 budget review.

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The short July 25 deadline is necessary to mesh the "critical countries" project with the PPG review.

5. Project Coordination/Ironing out Differences with CIA

Dennis Kux (INR/INC) will serve as the State Department "critical countries" coordinator. He can be reached on ext. 21506. Kux will also work on resolving differences with CIA still outstanding from the 1979 exercise.

cc: M/MO - Mr. Monroe  
P - Mr. Suddarth  
S/P - Mr. Kriesburg

## MODEL FORMAT

RURITANIAMajor Problems and Developments

President Zilch faces strong pressure as a result of economic austerity and decline in the standard of living. The lack of jobs opportunities for the burgeoning population makes matters worse. Rising rightist terrorism is a further unsettling element. The President's continued support of pro-Western policies in the face of Third World criticism has frayed his relations with the intelligentsia, and nationalist religious leaders. Support of the army seems the key to the President's survival. Externally continued friction with neighbors and the President's diffidence in asserting Ruritanian interests has weakened his position with the nationalist right.

Gaps in Coverage

- the views and political weight of religious leaders;
- links between the opposition and radical Third World groups and/or pro-Moscow Communists;
- Developments in the rural eastern half of Ruritania;
- How badly unemployment is sapping middle class support for Zilch's moderate policies;
- the infrastructure of Ruritanian terrorism.

These problems are essentially the same noted in the May 1980 FOCUS exercise although recent efforts by the Embassy have provided a clearer picture of the labor scene. SESO reporting on the military is also improved. The June 15 Embassy Reporting Plan should be revised to focus more sharply on the gaps noted above, proposed reports on tourism potential, and the significance of the judiciary should be dropped.

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Analytical Capability

One fulltime NFAC analyst and a half-time INR analyst, both knowledgeable about Ruritania, provide good capability in Washington. The Embassy's capability is, however, weak since none of the three State political/economic officers have previous Ruritanian service.

Actions Taken on the September 1979 Plan Checklist\*

1. Assign Political Counselor with prior country experience:

--Unfortunately none was available.

2. Assign Army not Air Force Datt.

--Done.

3. Add one SESO language qualified officer.

--Done.

4. Add one State econ officer and 1 C&R officer.

--Done.

5. Better FBIS coverage.

--Still inadequate because of resource constraints.

6. Better coverage of the trade union movement.

--Done.

7. Additional State political officer.

--Disapproved in the FY 81 budget review.

8. Increase of \$15,000 in country budget for additional in-country travel.

--Disapproved in the FY 81 budget review.

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9. Better cooperation on debriefing AID personnel.

--Some improvement noted, but further effort needed.

10. Improve State and CIA language training.

--Little progress.

1980 Action Checklist

1. Add 1 language qualified Political Officer to report ~~essential~~ on internal political matters..

2. Renewed effort on FBIS coverage.

3. Revise <sup>Past</sup> ~~Country~~ Reporting Plan to focus more directly on reporting gaps, in particular, on the religious movement, on middle class attitudes and on developments in the rural eastern half of the country.

4. Increase Embassy travel funds \$17,000 (takes into account inflation) in order to permit more travel in rural areas, especially in the east.

5. Improve FSI language training program, including greater flexibility in refresher training and in-country training.

6. Try again to enlist fuller cooperation by AID.

~~1979-1980 Action Checklist~~